



## Redesigned Emergency Solutions Program (ESG)

The Department is proposing a Substantial Amendment to its HUD Consolidated Plan to distribute both 2015 and 2016 ESG funds with the redesigned ESG program. This means there would not be an ESG Notice of Funding Availability in 2015. The Substantial Amendment will be published by mid-September, with comments due 30 days later. The proposed changes are to meet the following:

- Align with local systems, with federal ESG and HEARTH goals
- Coordinate State investments with local community planning efforts and investments
- Invest in impactful activities based on key performance goals and outcomes
- Reduce scope of intensive annual competition
- Improve geographic distribution of funded activities and continuity of funded activities
- Create streamlined delivery mechanism able to manage possible additional State funds with minimum administrative costs

The redesigned ESG program would also allow all Continuum of Cares (CoCs) to receive some level of funding based on a formula allocation. The Department anticipates that State contracts under the new distribution method will be effective by October 2016.

The State ESG funding will be distributed into two main pools: 1) Continuum of Care Allocation (CoCs with an ESG entitlement) 2) Balance of State Allocation (CoC without an ESG entitlement).

Continuum of Care Pool	Balance of State Pool
Bi-annual application process to receive an allocation to administer locally	Up to two activities (contracts) in each CoC area
Funded Activities must serve populations in ESG non entitlement areas of the CoC, but may benefit the entire CoC area	1 <sup>st</sup> application: priority application for rapid rehousing Activities meeting quality parameters for a percentage of the formula allocation
Assumes administrative responsibilities, processes financial payments, and monitors providers consistent with their ESG entitlement program	2 <sup>nd</sup> application: HCD will issue NOFA for a streamlined regional competition for the remaining BoS funds. One application from each CoC region
Applications are streamlined for ongoing eligibility based on contract compliance and performance	Minimum and maximum awards will be set to achieve administrative efficiency, regional competition, and geographic diversity



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The following table shows the comparison between the current and re-designed process:

Current Competitive NOFA Process	Re-designed Program
State HCD-administered NOFA process	CoC – centered selection process with HCD-administered regional competitions for some CoCs in the BOS Pool
NOFA normally issued in October, applications due in December, contracts begin in July	NOFA issued in May 2016, contracts begin in October 2016
Allocations to Northern, Southern, Rural and New Programs	Individual CoC allocations
Providers must be located in non-entitlement areas	Funded Activities must serve populations in ESG non entitlement areas of the CoC, but may benefit the entire CoC area